



PRESS RELEASE

TRISURA GROUP REPORTS THIRD QUARTER 2020 RESULTS

TORONTO, November 4, 2020 — Trisura Group Ltd. (“Trisura” or “Trisura Group”) (TSX: TSU), a leading international specialty insurance provider, today announced financial results for the third quarter of 2020.

David Clare, President and CEO of Trisura, stated, “In the third quarter Trisura generated net income of \$6.5 million - over 150% greater than Q3 2019 - driven by strong results in Canada, continued profitability in the U.S., and investment gains.

In Canada, disciplined underwriting and consistent investment returns generated an industry-leading 20% return on equity. Our U.S. business maintained its trajectory of growth, binding a new record of \$171.0 million of quarterly gross premiums and generating \$3.7 million in net income. Stronger asset liability matching in our Reinsurance operations also supported results.

Our balance sheet is well-funded to support growth, with flexibility afforded by our 9.5% debt-to-capital ratio.”

Highlights

- ✓ Gross and net written premiums growth of 109.5% and 72.4% in Q3, supported by momentum in our U.S. operations and continued growth in Canada.
- ✓ Net income of \$6.5 million in the quarter grew 157.0% compared to prior year, driven by strong underwriting in Canada, continued profitability in the U.S and investment gains.
- ✓ Consolidated LTM ROE of 11.7%, which includes dilution from the equity raises in September 2019 and May 2020, compared to 1.9% at Q3 2019.
- ✓ Book value per share of \$26.86, a 24.5% increase from December 31, 2019, driven by the equity raise in May and supported by positive net income.
- ✓ EPS - diluted of \$0.62 in Q3 2020 was impacted by share-based compensation as a result of rising share price but compared favourably to \$0.37 in Q3 2019.
- ✓ Premiums grew in our Canadian business by 58.9% in Q3 2020. Exceptional surety performance contributed to achieving a 91.5% combined ratio and a 20.0% LTM ROE.
- ✓ Continued growth in our U.S. business, producing \$171.0 million in GPW in the quarter and \$3.7 million in net income, and reaching a 9.7% LTM ROE despite two significant capital injections.
- ✓ Sufficient capital in our US operations supported an increase in A.M. Best size category from size VII to size VIII.

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Amounts in C\$ millions	Q3 2020	Q3 2019	Variance	Q3 2020 YTD	Q3 2019 YTD	Variance
Gross premiums written	239.6	114.4	109.5%	612.2	305.1	100.7%
Net premiums written	64.5	37.4	72.4%	152.9	103.0	48.5%
Net underwriting loss	(2.2)	(6.6)	(67.3%)	(1.8)	(23.8)	(92.6%)
Net investment income	7.0	10.0	(30.0%)	21.9	20.1	8.7%
Net income	6.5	2.5	157.0%	21.5	0.9	2,231.1%
EPS - diluted, \$	0.62	0.37	68.2%	2.22	0.13	1,607.7%
Book value per share, \$	26.86	21.41	25.5%	26.86	21.41	25.5%
Debt-to-Capital ratio	9.5%	13.6%	(4.1pts)	9.5%	13.6%	(4.1pts)
LTM ROE	11.7%	1.9%	9.8pts	11.7%	1.9%	9.8pts
Combined ratio - Canada	91.5%	92.6%	(1.1pts)	84.6%	89.5%	(4.9pts)
LTM ROE - Canada	20.0%	19.1%	0.9pts	20.0%	19.1%	0.9pts
Fronting operational ratio - US	73.4%	76.9%	(3.5pts)	70.3%	88.7%	(18.4pts)
LTM ROE - US	9.7%	nm	nm	9.7%	nm	nm

COVID-19

- Trisura staff globally continue to work effectively from home. We have introduced safety measures in physical offices in preparation for a gradual return to work acknowledging best practices and local jurisdiction protocols.
- Despite resilience in the quarter, fears of a second wave in the U.S. and weaker than anticipated economic recovery may threaten momentum.
- Premium generation and claims activity may be impacted depending on the length and depth of the pandemic-related economic slowdown, as well as the effectiveness of government support programs. Depending on these factors, premium growth could slow and claims activity could increase.

Insurance Operations

- Disciplined underwriting in Canada, achieving a loss ratio of 28.4% in the quarter, supported by strong claims experience in Surety, resulting in a combined ratio of 91.5%.
- Strong growth in our U.S. platform, with GPW of \$171.0 million in Q3 2020 compared to \$144.8 million in Q2 2020, and fee income of \$6.4 million in Q3 2020 compared to \$5.6 million in Q2 2020.
- A decrease in European interest rates negatively impacted consolidated net underwriting income in the quarter, offset by improved asset-liability matching.

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Capital

- The minimum capital test (“MCT”) ratio of our Canadian operations was 249% (258% as at December 31, 2019), which comfortably exceeded regulatory requirements of 150%.
- Trisura Specialty’s capital of \$115.5 million USD as at September 30, 2020 (\$83.3 million USD as at December 31, 2019) was in excess of the various Company Action Levels of the states in which Trisura Specialty is licensed.
- Consolidated debt-to-capital ratio of 9.5% as at September 30, 2020 is below our long-term target of 20.0%.

Investments

- Investment income in Q3 2020 was \$7.0 million compared to \$10.0 million in Q3 2019. The decrease was the result of smaller decline in European interest rates in the quarter, which led to a smaller increase in the value of longer duration assets supporting our Reinsurance business liabilities. This was partially offset by an increase in interest and dividend income in North America.
- In Canada and the U.S., interest and dividend income rose 38.3% in Q3 2020, versus the prior period in 2019, as we benefited from diversification of the U.S. portfolio after rebalancing through COVID-related volatility, and increased capital following the equity raises in September 2019 and May 2020.
- Net gains were greater in Q3 2020 and Q3 2020 YTD as a result of favourable foreign exchange movements incurred in the quarter and greater realized gains.

Corporate Development

- Trisura continues to grow its admitted licenses, with 42 state licenses today and the intention of securing admitted licenses in all 50 states.
- In the quarter Trisura bound \$1.8 million in admitted premiums; we expect the admitted business to be a significant opportunity for growth in 2021.
- In November 2020, A.M. Best reaffirmed the financial strength rating of A- (Excellent) for both the Canadian and U.S. operations.



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About Trisura Group

Trisura Group Ltd. is an international specialty insurance provider operating in the surety, risk solutions, corporate insurance and reinsurance segments of the market. Trisura has three principal regulated subsidiaries: Trisura Guarantee Insurance Company in Canada, Trisura Specialty Insurance Company in the US and Trisura International Insurance Ltd. in Barbados. Trisura Group Ltd. is listed on the Toronto Stock Exchange under the symbol "TSU".

Further information is available at <http://www.trisura.com/group>. Important information may be disseminated exclusively via the website; investors should consult the site to access this information. Details regarding the operations of Trisura Group Ltd. are also set forth in regulatory filings. A copy of the filings may be obtained on Trisura Group's SEDAR profile at www.sedar.com.

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Trisura Group Ltd.
Consolidated Statements of Financial Position
As at September 30, 2020 and December 31, 2019
(in thousands of Canadian dollars, except as otherwise noted)

As at	September 30, 2020	December 31, 2019
Cash and cash equivalents, and short-term securities	124,875	85,905
Investments	484,700	392,617
Premiums and accounts receivable, and other assets	154,581	86,669
Recoverable from reinsurers	567,361	293,068
Deferred acquisition costs	163,719	104,197
Capital assets and intangible assets	13,933	14,477
Deferred tax assets	8,347	1,460
Total assets	1,517,516	978,393
Accounts payable, accrued and other liabilities	48,924	40,916
Reinsurance premiums payable	144,691	80,186
Unearned premiums	510,200	328,091
Unearned reinsurance commissions	91,859	51,291
Unpaid claims and loss adjustment expenses	417,107	257,880
Loan payable	28,869	29,700
Total liabilities	1,241,650	788,064
Shareholders' equity	275,866	190,329
Total liabilities and shareholders' equity	1,517,516	978,393



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Trisura Group Ltd.
Consolidated Statements of Comprehensive Income
For the three and nine months ended September 30
(in thousands of Canadian dollars, except as otherwise noted)

	Q3 2020	Q3 2019	Q3 2020 YTD	Q3 2019 YTD
Gross premiums written	239,607	114,354	612,242	305,050
Net premiums written	64,543	37,429	152,924	102,972
Net premiums earned	42,250	29,719	109,593	77,794
Fee income	6,652	2,530	20,060	8,631
Total underwriting revenue	48,902	32,249	129,653	86,425
Net claims and loss adjustment expenses	(19,319)	(18,092)	(49,466)	(49,249)
Net commissions	(15,060)	(10,265)	(38,431)	(27,839)
Operating expenses and premium taxes	(16,685)	(10,511)	(43,523)	(33,126)
Total claims and expenses	(51,064)	(38,868)	(131,420)	(110,214)
Net underwriting loss	(2,162)	(6,619)	(1,767)	(23,789)
Net investment income	7,015	10,027	21,857	20,111
Settlement from structured insurance assets	-	-	-	8,077
Net gains	4,178	476	5,628	1,664
Interest expense	(224)	(333)	(891)	(1,020)
Income before income taxes	8,807	3,551	24,827	5,043
Income tax expense	(2,272)	(1,008)	(3,334)	(4,121)
Net income	6,535	2,543	21,493	922
Other comprehensive (loss) income	(162)	1,048	(2,704)	1,996
Comprehensive income	6,373	3,591	18,789	2,918



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Trisura Group Ltd.
Consolidated Statements of Cash Flows
For the three and nine months ended September 30
(in thousands of Canadian dollars, except as otherwise noted)

	Q3 2020	Q3 2019	Q3 2020 YTD	Q3 2019 YTD
Net income from operating activities	6,535	2,543	21,493	922
Non-cash items to be deducted	(1,365)	(348)	6,006	(1,508)
Stock options granted	160	146	540	364
Change in working capital operating items	43,508	25,704	57,454	39,982
Realized gains on investments	(4,245)	(1,054)	(21,443)	(2,800)
Income taxes paid	(4,661)	(592)	(7,948)	(2,459)
Interest paid	(226)	(350)	(921)	(1,056)
Net cash from operating activities	39,706	26,049	55,181	33,445
Proceeds on disposal of investments	60,787	13,098	201,051	41,647
Purchases of investments	(72,855)	(27,832)	(281,781)	(91,076)
Net purchases of capital and intangible assets	(117)	(104)	(623)	(408)
Net cash used in investing activities	(12,185)	(14,838)	(81,353)	(49,837)
Dividends paid	-	(24)	-	(72)
Shares issued	-	55,669	65,143	55,669
Loans received	-	-	32,700	-
Repayment of loan payable	-	-	(32,700)	-
Lease payments	(319)	(265)	(1,197)	(760)
Net cash (used in) from financing activities	(319)	55,380	63,946	54,837
Net increase in cash	27,202	66,591	37,774	38,445
Cash at beginning of the period	99,165	64,949	85,905	95,212
Currency translation	(1,492)	373	1,196	(1,744)
Cash at the end of the period	124,875	131,913	124,875	131,913



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Cautionary Statement Regarding Forward-Looking Statements and Information

Note: This news release contains “forward-looking information” within the meaning of Canadian provincial securities laws and “forward-looking statements” within the meaning of applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Company and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as “expects,” “likely,” “anticipates,” “plans,” “believes,” “estimates,” “seeks,” “intends,” “targets,” “projects,” “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may,” “will,” “should,” “would” and “could”.

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of our Company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: developments related to COVID-19, including the impact of COVID-19 on the economy and global financial markets; the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; the behaviour of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; governmental investigations; litigation; changes in tax laws; changes in capital requirements; changes in reinsurance arrangements; ability to collect amounts owed; catastrophic events, such as earthquakes, hurricanes or pandemics; the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; and other risks and factors detailed from time to time in our documents filed with securities regulators in Canada.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, Trisura Group Ltd. undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be a result of new information, future events or otherwise.